# GOVERNMENT OF INDIA
# CHEMICALS AND FERTILIZERS
# LOK SABHA

UNSTARRED QUESTION NO:1012
ANSWERED ON:23.10.2008
TRANSPORTATION OF FERTILIZERS
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**Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:**

(a) whether the Union Government is contemplating to take initiatives to ensure seamless transportation of fertilizers from railway to different districts and eventually to the block;

(b) if so,the details thereof; and action taken/proposed to be taken in this regard;

(c) whether the farmers are facing hardship due to delay and inadequate supply of fertilizers;

(d) if so,whether the Union Government has also initiated efforts to monitor demand supply of fertilizers in the country and to ensure smooth distribution,marketing of quality fertilizers and timely availability of fertilizers to the farmers;and

(e) if so,the details thereof?

## Answer

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS AND MINISTER OF STATE IN THE MINISTRY OF MINES(SHRI B.K. HANDIQUE)

(a)&(b) Policy for uniform freight subsidy on all fertilizers under fertilizer subsidy scheme has since been announced on 17th July,2008 effective from 1.4.2008.According to which the rail freight expenditure for transportation of fertilizers will be paid as per actual expenditure based on actual lead (ii) the road freight towards transportation of fertilizers from nearest railway rake point to block, or from manufacturing unit/port directly by road to block-the element of subsidy will be paid as under:

# the lead distance for each block in the district will be based on the average district lead (average of leads from nearest rail rake point to block headquarters)

# the per KM road freight will be paid on the basis of average of existing per KM rate for each State in the country, being adopted by DOF for reimbursement of freight subsidy for indigenous urea under NPS-III.

(c) to (e): No, Sir.The requirement,availability and Sales of major fertilizers in the country during Kharif 2008 has been as under:

(Qty. in LMT)

| Fertilizer | Requirement | Availability | Sales |
|---|---|---|---|
| DAP | 42.75 | 53.19 | 52.85 |
| MOP | 17.19 | 22.79 | 21.55 |
| UREA | 137.11 | 134.66 | 127.92 |

About 10.4 LMT of Urea was available in the field godowns at the start of the Kharif 2008 season which has not been included . As such there is no scarcity of fertilizers.

Urea is the only fertilizer which is under partial movement and distribution control of the Government Union Government ensures availability of Urea at State level.State Governments are responsible for its distribution within the State. All other fertilizers viz., DAP,

MOP, NPK and SSP etc. are decontrolled / de-canalized since 1992.The availability of these fertilizers is decided by the market forces of demand and supply. Department of Fertilizers monitors the availability of fertilizers namely Urea, DAP. MOP and NPK at district level.

The steps taken for smooth distribution of fertilizers are as under:

i) Under NPS lll,the movement of Urea will be monitored throughout the country by an on-line web based monitoring system.

ii) The subsidy on urea will be paid only when urea reaches the district.

iii) Department of Fertilizers operates Buffer Stock of urea through State Institutional Agencies /fertilizer companies in major consuming states,up to a1 limit of 5% of the seasonal requirement.

iv) The gap between requirement and indigenous availability of Urea is met through imports;

v) In so far as decontrolled Phosphatic and Potassic fertilizers are concerned,subsidy is released on sale of fertilizers.